



<b>FOR CLERK USE ONLY</b>	
City Council	
Item No.	<u>15</u>

## CITY COUNCIL OF THE CITY OF CALEXICO FACT SHEET

Redevelopment Agency

Department

2-Mar-10

Requested Date

1. **Request:**

City Council approval ☐

Other (specify) ☒

Information Only/  
Presentation ☐

Hearing ☐

2. **Requested Action:**

Direction regarding joining the County of Imperial and other incorporated cities in Imperial County in submitting an application to the State of California HCD to form one (1) large Enterprise Zone that would include most commercial and industrial areas of Imperial County

3.

Cost: Decrease ☐  
Increase ☐  
Decrease ☐  
Does Not Apply ☐

Amount: \_\_\_\_\_

Source: \_\_\_\_\_

Amount: \_\_\_\_\_

☒ Unknown at this time

4. **Reviewed By:**

Finance Dept. on \_\_\_\_\_

By: \_\_\_\_\_

Comments: \_\_\_\_\_

City Attorney on \_\_\_\_\_

By: \_\_\_\_\_

Comments: \_\_\_\_\_

*Note: Back up must be submitted along with this form. Deadline is 5:00 p.m., 2 Fridays before the scheduled meeting date.*

**CLERK USE ONLY**

CITY COUNCIL DATE: \_\_\_\_\_

Action ☐

Consent ☐

Hearing ☐

Filing ☐

Presentation ☐

Other(specify) ☐ \_\_\_\_\_

Reviewed by: City Clerk \_\_\_\_\_

Date \_\_\_\_\_

City Manager \_\_\_\_\_

Date \_\_\_\_\_

# **CITY COUNCIL AGENDA REPORT**

**SUBJECT:** Direction regarding joining the County of Imperial and other incorporated cities in Imperial County in submitting an application to the State of California Housing & Community Development Department to form one (1) large Enterprise Zone that would include most commercial and industrial areas of Imperial County

**AGENDA DATE:** March 2, 2010

**PREPARED BY:** Rosalind Guerrero, RDA Director 

**APPROVED FOR AGENDA BY:** Victor Carrillo, City Manager

**RECOMMENDATION:** Request direction

**FISCAL IMPACT:** Unknown at this time

## **BACKGROUND INFORMATION: (Prior action/information)**

The Calexico County Enterprise Zone (CCEZ) is composed of the City of Calexico, Imperial County, and Imperial Irrigation District as designated by the State of California in 2006. The member agencies contribute approximately \$60,000 each towards the annual administrative costs.

The CCEZ and the Imperial Valley Enterprise Zone (IVEZ) have discussed options of joining the two zones. However, the discussion has now expanded to consider the reapplication for a new zone designation that would include all jurisdictions in Imperial County. A new designation would include all seven cities and the incorporated areas of Imperial County.

The deadline to submit a new application is August 18, 2010 and would require the application process start as soon as possible due to the numerous negotiations and resolutions that would need to take place between the cities and the unincorporated areas. Cost to prepare the application has not been determined.

The joining of the two current Enterprise Zones and inclusion of the remaining cities and unincorporated areas in Imperial County would allow for a regional effort in marketing of the program. In a meeting with John Nunn, State of California Enterprise Zone Manager, Mr. Nunn encouraged Imperial County to apply as one zone as this would free up one zone in the State that could be awarded to a another jurisdiction.

**Agenda Item No.** \_\_\_\_

**Page** \_\_\_\_ **Of** \_\_\_\_

Staff has prepared a list of Pros, Cons, and Cost for your review to decide if the City of Calexico should consider reapplying for a new designation. A copy of Imperial County's agenda staff report is attached for your review.

**RECOMMENDATION:**

As this is a policy decision, staff requests direction.

**ATTACHMENT:**

Pros, Cons, and Cost

Imperial County staff report

CCEZ Memo on formation of a single county wide EZ

**Agenda Item No. \_\_\_\_\_**

**Page \_\_\_\_\_ Of \_\_\_\_\_**

## PROS, CONS, & COST OF CCEZ AS A VALLEY WIDE ENTERPRISE ZONE

### PRO

Regional effort.

All participating entities would need to offer the same incentives.

Option: IVEDC as the partner agency to represent all partners.

Current designation would not be affected if application not awarded.

Do not need to hire a consultant to prepare application, CCEZ staff can complete, however, may affect ability to continue marketing and promotion of Callexico zone benefits.

Would extend current designation from 2021 to 2025.

### CON

Callexico would lose current competitive advantage over other valley cities (may lose investors to other cities).

Callexico would lose the concentrated efforts of CCEZ staff marketing and promotion of program for approximately 6 months during application development.

Callexico will not have a staff person on the JPA specifically dedicated to the marketing the program.

### COST

Application cost would be borne by CCEZ and IVEZ staff that would work on the application. (Need to determine what role would other cities take in the development of the application such as staffing, sharing of cost)

Current cost to CCEZ JPA is \$60,000 each

Option of administrative operations shared on a population basis or acreage.



# BOARD AGENDA FACT SHEET

FOR CLERK USE ONLY	
DISCUSSION	BOS ACTION
# _____	# _____

ICPDS \_\_\_\_\_  
Department /Agency

February 9, 2010  
Requested Board Date

**1. Request:**

Board Approval

Other (specify) \_\_\_\_\_

X

Information  
Only/Presentation  
Schedule Hearing  
Time: \_\_\_\_\_


**2. Requested Action:**

ICPDS is requesting your direction regarding the possible modifications to the Enterprise Zone program to the extent that we desire to seek state designation for one EZ that would cover the two existing zones and at the same time expand the zone to cover most if not all of the cities, as well as the townsite of Heber, Seeley and USG.

^^Type requested action above^^

3. Cost \$ \_\_\_\_\_ Source: \_\_\_\_\_

4. If approval of Contract, reviewed/approved by County Counsel on: \_\_\_\_\_

By: \_\_\_\_\_

Action Request # \_\_\_\_\_

*Assigned by County Counsel's Office*

5. If approval of position allocation change, approved by Human Resources on: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
*Department Head/Agency Representative*

**\*\*Back-up must be submitted Tuesday at 5:00 pm, 11 days prior to requested date.**

**\*\*Back up submitted must contain an Original and 11 copies.**

**CEO/CLERK USE ONLY:**

**BOARD DATE:** \_\_\_\_\_

Discussion Date: \_\_\_\_\_

Action \_\_\_\_\_

Filing \_\_\_\_\_

Consent \_\_\_\_\_

Presentation \_\_\_\_\_

Hearing \_\_\_\_\_

Other (specify) \_\_\_\_\_

Review: \_\_\_\_\_

*Clerk*

*Date*

*CEO*

*Date*

**TO:** Board of Supervisors

February 4, 2010

**FROM:** Jurg Heuberger, AICP, Planning & Development Services Director M/O\_\_\_\_\_

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**SUBJECT:** Direction regarding possible modifications to the Enterprise Zone Program in the townsite of Heber, Seeley and USG.

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Dear Board Members:

**REQUESTED ACTION:**

ICPDS is requesting your direction regarding the possible modifications to the Enterprise Zone program to the extent that we desire to seek state designation for one EZ that would cover the two existing zones and at the same time expand the zone to cover most if not all of the cities, as well as the townsite of Heber, Seeley and USG.

**BACKGROUND:**

This issue was raised before the two JPA boards several months ago. At that time there was resistance by the managers because of miscommunication on my part. Since then and as you heard from Mr. John Nunn, the State Program Manager under HCD, the state in fact supports the combining and enlarging of the existing zones.

Certainly there is an advantage to the state since it would free up one zone.

However in my opinion there are many, many advantages for Imperial County as a whole. While it is understood that there might be some "jurisdictional" hesitation by one of the cities that currently is in the zone, I believe we as the County and the Cities need to think more co-operatively in these kinds of opportunities.

It is my opinion by making this zone available to all the qualified areas of the county, namely some of the town sites as well as all of the remaining five cities, we can't lose and only win.

If a company wants to locate in Imperial Valley, it should not be limited to option one or option two. Additionally, the zones should not be viewed as competitive to each other to start with and by having one zone that is all but eliminated. Furthermore, we currently pay for the operation of two zones and it is not expected that the cost of one large zone

would be anymore than we pay now, yet we may very well gain some additional cost savings that can then be applied to better marketing.

Overall, I see this as a benefit to the Community as a whole and an opportunity, given that the state has reduced the requirements, eliminated several costly steps, and has offered to be of great assistance in completing an application.

This is timely in the sense that the NOFA will be out on Feb. 15<sup>th</sup> and due August 18<sup>th</sup>. This will require a new JPA be formed, will require an application to be processed, will require city resolutions etc. Therefore now is the time to move forward.

As a reminder, the County and the IID both currently pay \$60,000 per zone for an aggregate of \$120,000 per year each. This is not to suggest that our contribution will be reduced per se, since a new financial structure will have to be negotiated and we all know the smaller cities would be hard pressed to match the larger cities or the County. If you have any questions, please let me know.

CC: Ralph Cordova Jr., County Executive Officer  
Michael Rood, County Counsel  
Joanne Yeager, Assistant County Counsel  
Darrell Gardner, Assistant Planning & Development Services Director  
Rosa Soto, Office Supervisor  
Carina Alcantar, Administrative Secretary  
File 10.105, 10.130, 10.133, 40.103, 40.110, 40.111

JH\caS:\PLANNING CLERICAL\LETTERS TEMP\BOARD OF SUPERVISORS\Direction regarding possible modifications to the Enterprise Zone Program in the townsite of Heber, Seeley and USG..doc



301 Heber Ave  
Calexico, CA 92231  
(760) 768-7190

[www.calexico-countyez.com](http://www.calexico-countyez.com)

To: Calexico City Council

Re: Formation of a Single County Wide Enterprise Zone

**Action Requested:**

Direction regarding joining with the County of Imperial and the other incorporated cities in Imperial County in submitting an application to the State of California Housing & Community Development (HCD) to form one large Enterprise Zone that would include most commercial and industrial areas of Imperial County.

**Background:**

The Joint Powers Authority directed the Calexico-County Enterprise Zone manager to inquire from the State of California HCD regarding merging the administration of the CCEZ and the Imperial Valley EZ. At that time, the state representative recommended that the two zones could merge and bring in other incorporated cities to apply for one large Enterprise Zone. This information was brought to the Joint Powers Authority.

Since that time, John Nunn, the HCD Enterprise Zone Program Manager has visited Imperial County and toured the area. Mr. Nunn at that time expressed that the State supports the formation of one Enterprise Zone, since it would free up one additional designation for the state. HCD is limited to 42 Enterprise Zones statewide in California.

Combining Enterprise Zones to make a larger zone is a current trend in California. San Diego's current Enterprise Zone (45,000 + acres) was previously two Enterprise Zones. Most Enterprise Zones in the Central Valley are large, multi-jurisdictional Enterprise Zones.

The state will release the application guidelines late February, with a due date for the application August, 15 2010. So, that is why the issue has been brought to the City Council for direction.

If a single, county-wide Enterprise Zone were to be designated, all of the current Calexico-County Enterprise Zone area would be included. However, the expiration date of the area as an Enterprise Zone would be extended to 2025; the current CCEZ expires in 2021.

The Redevelopment Agency of Calexico currently contributes \$60,000 per year for the administration and marketing of the CCEZ. If a single, county-wide Enterprise Zone were to be designated, it is possible that amount would be less. That would be determined as the administration of the Enterprise Zone is negotiated.